No BCCI Wrongdoing Found on Iran Arms

Investigators who examined the sales of arms to Iran in 1985 and 1986 found no evidence of wrongdoing by the Bank of Credit and Commerce International, according to a spokesman for Lawrence E. Walsh, the Iran-contra independent counsel.

Walsh's investigators determined that BCCI did nothing more than handle several money transfers at its branch in Monte Carlo.

A key participant in the weapons sales, Adnan Khashoggi, maintained a regular account at the Monte Carlo branch and used it to loan money to Iranian middleman Manucher Ghorbanifar, according to Walsh's spokesman.

Ghorbanifar borrowed money from Khashoggi and two other BCCI account-holders to finance the arms transactions.

The money went into Swiss accounts maintained by Lake Resources, a company secretly used by White House National Security Council aide Lt. Col. Oliver L. North to handle arms transactions with Iran and with the Nicaraguan contras.